

# ASEAN-USAID IGNITE

The United States Agency for International Development (USAID) through the ASEAN-USAID Inclusive Growth in ASEAN through Innovation, Trade and E-Commerce (ASEAN-USAID IGNITE) project, supports the Association of Southeast Asian Nations (ASEAN) to reduce trade costs and spur e-commerce.

## Lowering the Cost of Regional Trade



**Problem:** ASEAN exporters must obtain government-issued certificates and physically send them to the importers to receive lower tariffs on regional trade. The cost of obtaining and sending those certificates raises the prices paid by consumers and results in lower profits for businesses.

## ASEAN's Solutions

### ASEAN-Wide Self Certification (AWSC) Scheme

The AWSC allows qualified traders to receive lower tariffs without applying for a government certificate.



self-certified trader



self-certified trader

**ASEAN-USAID IGNITE is developing a simple automated system to record and verify qualified traders.**

### U.S. Benefits

- U.S. firms operating in the region can use the AWSC and the ASW to lower regional trade costs.
- Connecting the ASEAN and U.S. single windows would reduce costs on and expand \$75 billion worth of U.S. exports to the ASEAN market.

### ASEAN Single Window (ASW)

The ASW permits the instantaneous transfer of electronic certificates, saving traders an average of four days and \$1500 per transaction.

(Source: ASEAN-USAID IGNITE ASW Trader Survey)



**Officially launched in 2018 and receiving USAID support since 2006, the ASW currently facilitates over 500,000 trade transactions a year, saving traders hundreds of millions of dollars.**

(Source: ASEAN Member State(s) monthly report (on the exchange of e-form Ds) of the Project Management Office)



With support from USAID, ASEAN and the U.S. are working to connect the ASEAN and U.S. single windows to reduce the cost of trans-Pacific trade.



# Expanding ASEAN's Digital Economy



**Problem:** Due to poor laws that do not promote integration, ASEAN's digital economy is far smaller than in other comparable countries. With improved laws, the digital economy could add US\$1 Trillion to ASEAN GDP over the next 10 years. (Source: A.T. Kearney and Axiata, 2015)

## ASEAN's Solution

ASEAN adopted the **ASEAN Digital Integration Framework (DIF)** in 2018 that:



Promotes easier movement of products to expand digital trade



Protects data while supporting digital trade and innovation



Promotes digital payment systems



Supports training in digital skills



Fosters new businesses

*But the DIF only set out goals not specific actions. With support from USAID, ASEAN developed the ASEAN Digital Integration Framework Action Plan that identified concrete steps to be taken and made it possible to monitor and evaluate ASEAN's progress.*



*To encourage the countries of Southeast Asia to adopt strong laws to expand their digital economy, USAID is supporting ASEAN as it develops a transparent index of progress in promoting the digital economy.*

## U.S. Benefits

- A robust digital economy in ASEAN will create investment and marketing opportunities for American firms.
- As digitally-enabled companies grow in the ASEAN region, they will pay for more of the services and products that American businesses provide.

The digital economy of ASEAN will be worth around US \$200 billion by 2025.

(Sourced Working Paper 1087, 2020)

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